



Date: January 28, 2014
To: Thomas Bonfield, City Manager
From: Germaine Brewington, Director of Audit Services
Subject: Transmittal of Controls Over Inventory, Tools and Safety Materials Performance Audit (January 2014)

Executive Summary

The Department of Audit Services completed the report on the Controls Over Inventory, Tools and Safety Materials Performance Audit dated January 2014. The purpose of the audit was to determine if adequate controls existed over inventory, tools, and safety materials used by the Storm Water and Street Maintenance Divisions of the Department of Public Works in performing their operational activities.

Background

The mission of the Department of Public Works is to operate, maintain and improve the City's street and utility infrastructure and programs in a manner that cost effectively enhances the community's livability. This mission is facilitated through the staff's use of inventory, tools and safety materials that are stored in eight different locations. The value of the inventory as of a snapshot in time in November, 2013 was \$394,757.

Results of audit steps taken and procedures performed to accomplish the objectives of the audit revealed that overall, a lack of adequate controls existed over inventory maintained by the Department of Public Works. Specifically, an inventory management system was not utilized to track and manage inventory on hand.

During the field work, the Department of Public Works staff undertook efforts to identify and value its inventory on hand. The staff also began identifying obsolete inventory items that could be disposed of. As a result of this effort all items in the warehouse were tagged and management has a comprehensive list of all inventory, tools and safety materials on hand. The Department staff plan to implement the City Works system to manage and track inventory by the Fall of 2014; and train staff during the 2014 calendar year.

Issues and Analysis

The attached report details the objectives, observations, and results of the Controls Over Inventory, Tools and Safety Materials Performance Audit dated January 2014.

Recommendation

The Department of Audit Services recommends the City Council receive and accept the Controls Over Inventory, Tools and Safety Materials Performance Audit dated January 2014 as presented and approved at the January 27, 2014 Audit Services Oversight Committee meeting.

Attachment